



# Overview of Home Care Worker Compensation

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## Home Care Services

- The Department of Social and Health Services contracts with agency providers (APs) and individual providers (IPs) for the provision of home care services.
- Home care workers provide publicly-funded clients with personal care assistance with activities of daily living and household tasks.
- The 2003-05 Budget includes about \$441 million GF-S to provide home care services to an average of 37,600 elderly and disabled clients per month.



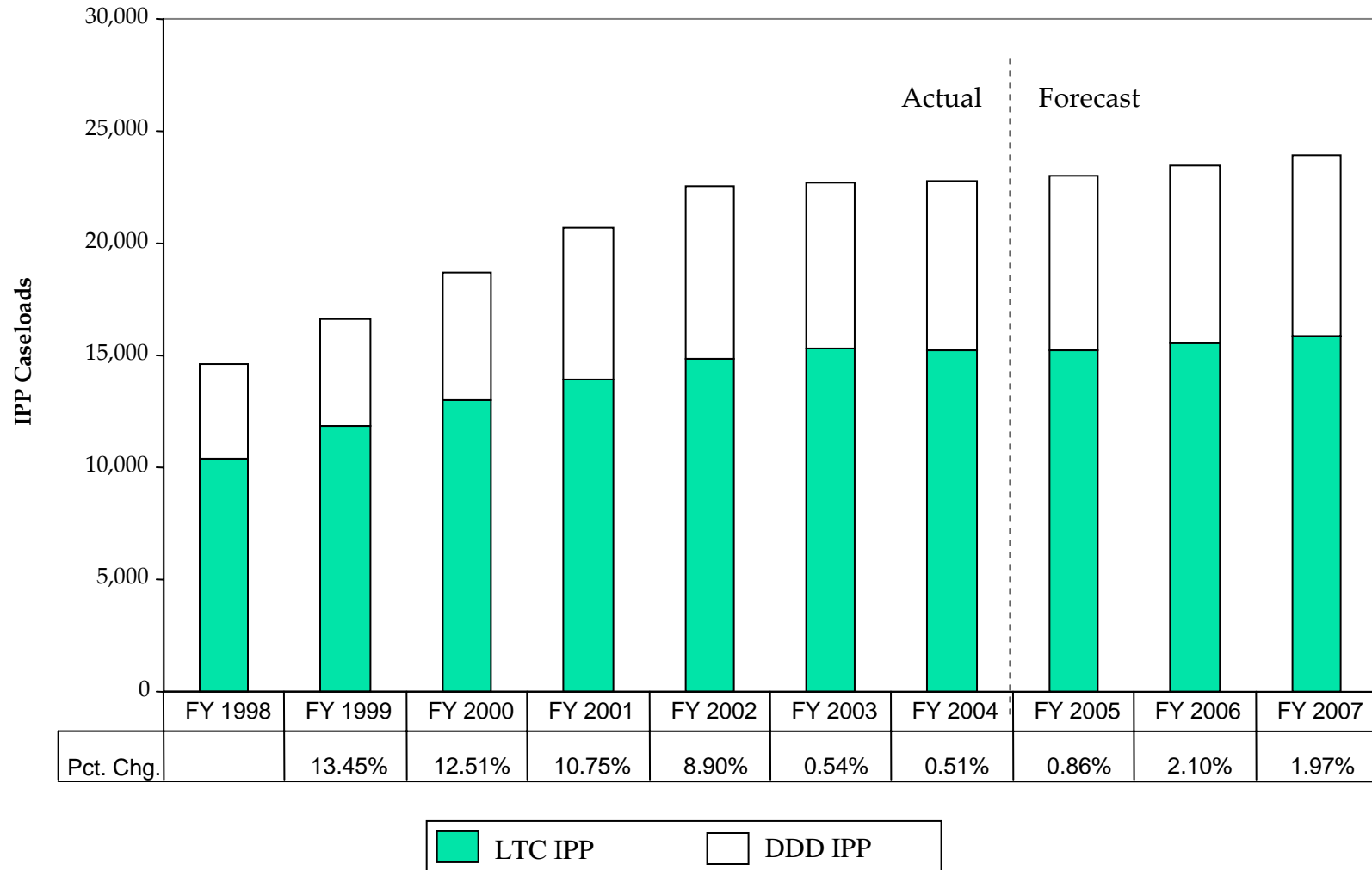
## Individual Providers

- Approximately two-thirds of all home care clients receive services from individual home care providers.
- About 60 percent of individual home care providers are caring for a relative.
- Roughly 22 percent of home care caseloads involve situations in which the provider is living with a client.
- In 2001, Initiative 775 provided individual home care providers with collective bargaining rights under the Public Employee's Collective Bargaining Act.



# Individual Provider Program Caseloads Are Expected to Grow by About 2.0 Percent During the 2005-07 Biennium\*

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# Summary of 2004 Collective Bargaining Agreement for Individual Home Care Providers

## Compensation

- Individual home care worker wages were increased from \$8.43 per hour to \$8.93 per hour effective October 1, 2004.

## Health Care

- Effective January 1, 2005, home care workers employed for at least three consecutive months and who work a minimum of 86 hours per month, and who are not otherwise eligible to receive health care benefits through other coverage, are eligible for health care benefits through a Taft-Hartley Trust.
- The state contributes \$400 per month for each eligible home care worker. It was estimated that approximately 8,700 home care workers would receive benefits through the Trust.

## Worker's Compensation

- Effective October 1, 2004, the state provides worker's compensation coverage for individual home care workers.



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# Summary of Costs for the 2004 Collective Bargaining Agreement for Individual Home Care Providers

<b>Provisions of the Contract with Fiscal Impact</b>	<b>2003-05 (Current Budget)</b>	<b>2005-07 (Estimate)</b>
1. Increase individual provider wages from \$8.43 per hour to \$8.93 per hour (eff. 10/1/2004)	\$6,846	\$16,984
2. Health Care Coverage, (eff. 1/1/2005) <sup>a</sup>	\$10,189	\$37,972
3. Workers Compensation Coverage (eff. 10/1/2004)	\$5,486	\$13,610
4. Administrative Expenses <sup>b</sup>	\$1,434	\$2,212
<b>General Fund-State</b>	<b>\$23,955</b>	<b>\$70,778</b>

a The collective bargaining agreement makes health care coverage available to eligible home care workers through a Taft-Hartley Trust. The appropriations contained in EHB 1777 assumed that 35 percent of workers would receive health benefits.

b Administrative expenses include grievance/dispute resolution, training for providers, SSPS programming costs, third party worker's compensation administration costs, and other administrative costs.



# Summary of Proposed 2005 Collective Bargaining Provisions for Individual Home Care Providers

## ■ Compensation

- Increases worker wages from \$8.93 per hour to \$9.20 per hour on July 1, 2005.
- Effective July 1, 2006, establishes a new wage scale of \$9.43 per hour to \$10.31 per hour based upon cumulative hours worked (seniority). The average wage is expected to be \$9.45 per hour.

## ■ Health Care

- Increases monthly contributions for health coverage from \$400 per month to \$450 per month on July 1, 2005, and to \$500 per month on July 1, 2006.
- Establishes a monthly contribution for dental benefits at \$25 per month on July 1, 2005, and \$26.75 per month on July 1, 2006.
- Establishes a monthly contribution for vision benefits at \$5 per month on July 1, 2005, and \$5.25 per month on July 1, 2006.

## ■ Annual Leave

- Effective July 1, 2006, home care workers will receive 1 hour of paid vacation leave for every 50 hours worked.



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# Governor Locke's 2005-07 Budget Proposal for Implementing the Collective Bargaining Agreement for Individual Home Care Providers

Provisions of the Contract with Fiscal Impact		
	2005-07 (Proposed)	2007-09 (Estimate)
1. Increase individual provider wages from \$8.93 per hour to \$9.20 per hour on July 1, 2005, and implement new wage scale on July 1, 2006	\$12,903	\$17,991
2. Health Benefits	\$10,209	\$12,767
3. Vacation Leave	\$3,503	\$7,113
4. Administrative Expenses <sup>[a]</sup>	\$5,708	\$1,768
<b>General-Fund State</b>	<b>\$32,323</b>	<b>\$39,639</b>

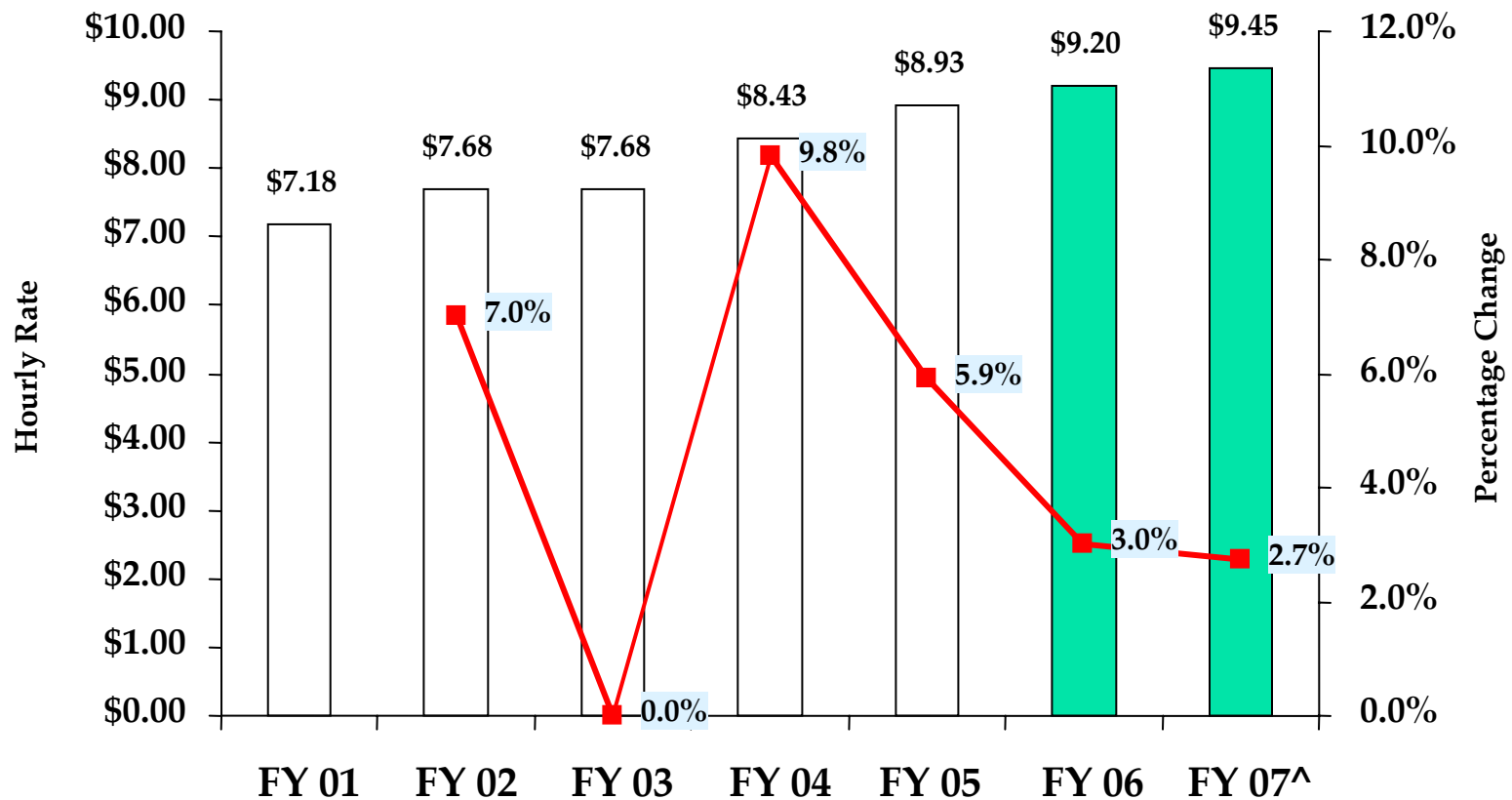
[a] Administrative expenses includes various reprogramming and maintenance costs for the Social Services Payment System (SSPS).





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## Historical and Proposed Individual Provider Payment Rates\* (23% wage rate increase from 2003-07)



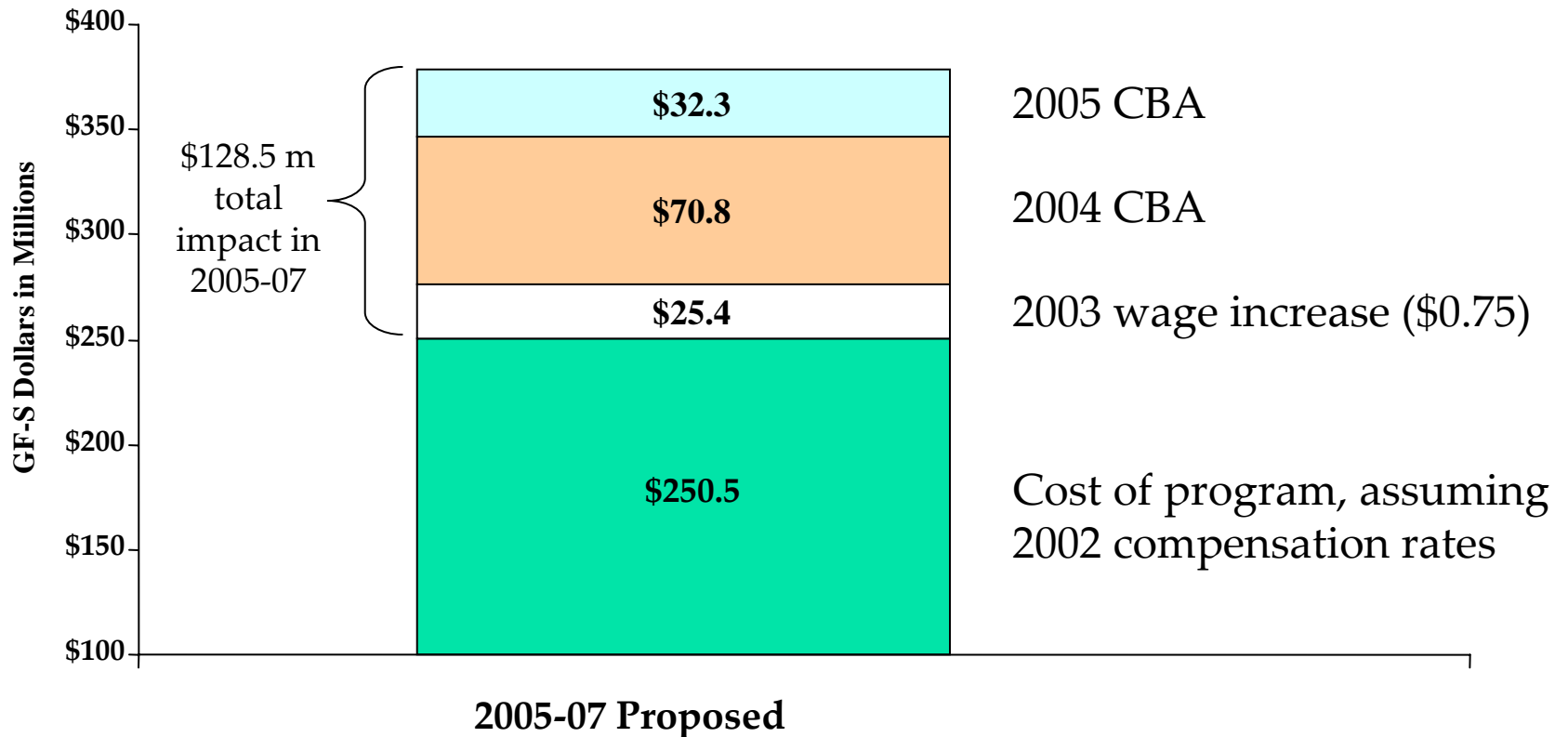
\* Represents the rate in effect at the end of each fiscal year. Effective dates vary.

^ Represents the expected average hourly rate paid to home care workers under the wage scale included in the 2005 collective bargaining agreement. In accordance with the wage scale, the minimum hourly rate would be \$9.43 per hour.



# Estimated Impact of Recent and Proposed Individual Provider Compensation Increases on the 2005-07 Budget\*

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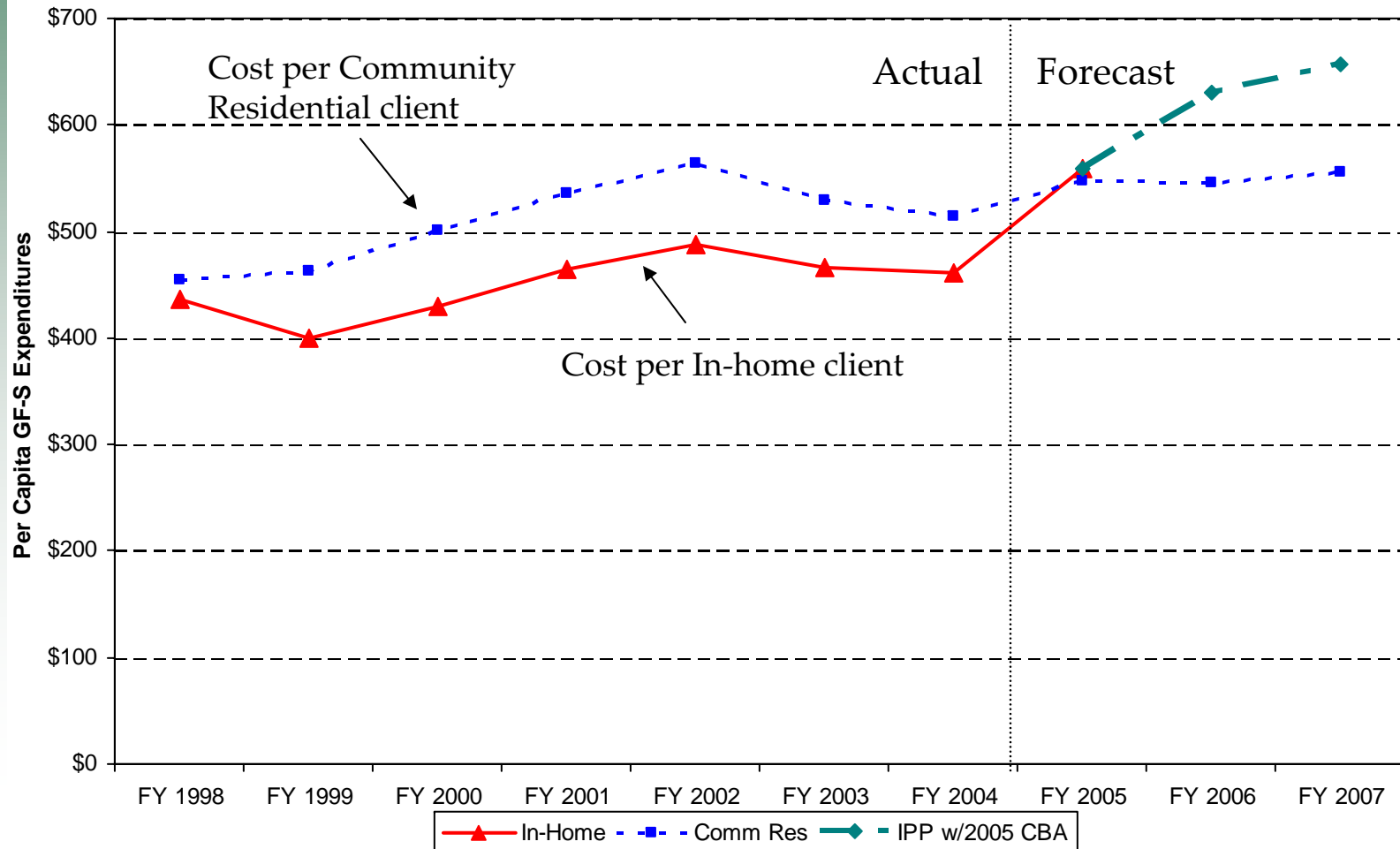


\* Reflects GF-S expenditures on the DSHS Long-Term Care and Developmental Disabilities Individual Provider Programs. Includes administrative costs associated with the 2004 and 2005 collective bargaining agreements.



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# Per Capita Spending on the Individual Provider Program is Projected to Exceed Community Residential Services After 2005\*



\* Forecasted data is based upon Governor Locke's policy-level budget proposal for the Long-Term Care Program, and assumes the November 2004 caseload forecast.